

Credit Manager Schedule Instructions

The Credit Manager Schedule reports in Part 1 the taxpayer's credits available (including credits carried over from prior years) and the credits taken not received via a lower tier entity or credit transfer. The exceptions to this rule are Brownfields Credit, Film Incentive Credit, and/or Medical Device Credit received via credit transfers/sales. Credits are shown in a table format and may be listed in any order. Taxpayers with more than one credit available may choose how much of each credit to take in the current year. A taxpayer participating in a combined report and allowing other members of the combined group to use its credits as allowed in 830 CMR 63.32B.2(9), also reports the amount of each credit shared on this schedule.

The table below identifies various credits that may be shown on the credit manager schedule.

MGL Chapter & Section	Credit Name	Notes	Refundable?	Enumeration
Ch. 63 § 38Q	Brownfields Credit	Certificate # Required	No	"BRWFLD"
Ch. 63 § 38BB	Certified Housing Credit	Certificate # Required	No	"CRTHOU"
Ch. 63 § 38EE	Community Investment Credit	Certificate # Required	Yes, @100%	"CMMINV"
Ch. 63 § 38AA	Conservation Land Credit	Certificate # Required	Yes, @100%	"CNSLND"
Ch. 63 § 38Z	Dairy Farm Credit	Certificate # Required	Yes, @100%	"DAIFRM"
Ch. 63 § 38N	EDIP Credit	Certificate # / Sch. EDIP Required	If Authorized, @100%	"EDIPCR"
Ch. 63 § 38FF	Employer Wellness Credit	Certificate # Required	No	"EMPWLL"
Ch. 63 § 38N	EOAC Credit	Period End Date / Sch. EOAC Required	If Authorized	"EOACCR"
Ch. 63 § 38X	Film Incentive Credit	Certificate # Required	If Authorized, @ 90%	"FLMCRD"
Ch. 63 § 38P	Harbor Maintenance Credit	Period End Date / Sch. HM Required	No	"HRBMNT"
Ch. 63 § 38R	Historic Rehabilitation Credit	Certificate # Required	No	"HISRHB"
Ch. 63 § 31A	Investment Tax Credit	Period End Date / Sch. H Required	No	"INVTAX"
Ch. 63 § 31M	Life Science (FDA) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	"LFSFDA"
Ch. 63 § 38U	Life Science (ITC) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	"LFSITC"
Ch. 63 § 38CC	Life Science (Jobs) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	"LFSJOB"
Ch. 63 § 38W	Life Science (RD) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	"LFSRDC"
Ch. 63 § 31H	Low Income Housing Credit	Certificate # Required	No	"LOWINC"
Ch. 63 § 31L	Medical Device Credit	Certificate # Required	No	"MEDDVC"
Ch. 63 § 38M	Research Credit	Period End Date / Sch. RC Required	No	"REARCH"
Ch. 63 § 31E	Vanpool Credit	Period End Date / Sch. VP Required	No	"VANPOL"
Ch. 62 § 6	Lead Paint	Period End Date / Sch. LP Required	No	"LEADPNT"
Ch. 62 § 6	Septic	Period End Date / Sch. SC Required	No	"SEPTIC"
Ch. 62 § 6	Farming and Fisheries	Period End Date / Sch. FAF Required	No	"FRMFISH"
Ch. 62 § 6	Solar and Wind Energy	Period End Date / Sch. EC Required	No	"SOLAR"

Some credits are identified on the credit manager schedule by a certificate number. The certificate number for the credit is assigned by the issuing agency (which may be the Department of Revenue) and must always be reported to claim the credit. A taxpayer with multiple certificates for the same type of credit will enter each separately, with the available (unused) balance associated with that certificate in column (e) and the amount of the credit used in the current year in column (f). Taxpayer's claiming the EDIP Credit for a Certified Jobs Creation Project must enter a certificate number but are only required to complete the header section of schedule EDIP.

Some credits are identified by the period end date which refers to the period in which the credit originated. This may

be the current taxable year or a prior year if the credit is being carried forward from a prior year. If the period of origin is the current year, a schedule detailing the calculation of the amount of credit must be enclosed with the return. If the period of origin is a prior year, only the amount carried over to and available in the current year is shown in column (e) and no calculation schedule is required.

If, by operation of M.G.L. c. 63, s. 32C or another provision of law, a credit normally identified by period of origin is eligible for indefinite carryover, the credit should be reported as "non-expiring;" the taxpayer is not required to identify the period of origin on the credit manager schedule. (Non-expiring credits were formerly referred to as "unlimited.")

The abbreviation in the enumeration column is used to identify the credit type on the credit manager schedule (in column a. in both Part 1 and Part 2 and column b. in Part 3 and Part 4).

Example with taxpayer that did not receive any credits from lower tier entities:

In the example below, the taxpayer is filing a return for the taxable year ending 12/31/2016 and has an Investment Tax Credit from the current year, all of which is being used in the current year. The taxpayer must enclose schedule H with the return, showing the calculation of the current year credit. The taxpayer also has a non-expiring Investment Tax Credit and used only \$500 of the credit in the current year. No Schedule H is required for the non-expiring credit, which is a credit carried forward from a prior year that is not tracked by a certificate number.

The taxpayer also has 2 different Film Credits available and enters them separately with the certificate numbers. All of the 1st credit and part of the 2nd credit are used by the taxpayer. These credits, regardless of the year in which they originate, must be identified by the certificate number.

The taxpayer also has a Harbor Maintenance tax credit that originated in the 12/31/2015 year. This is shown on the credit although none of the Harbor Maintenance credit is used in the current year. Because the credit relates to a prior year, schedule HM is not required.

1a.	1b.	1c.	1d.	1e.	1f.	1g.
Credit Type	Fill In if Non-Expiring	Period End Date	Certificate Number	Credit Available or Certificate Balance	Credit Taken this year	Credit Shared this year
INVTAX	<>	12/31/2016		\$8,000	\$8,000	
INVTAX				\$3,500	\$500	
FLMCRD			0000000000	\$5,000	\$5,000	
FLMCRD			0000000001	\$6,500	\$3,500	
HRBMNT		12/31/2015		\$3,000		
					\$17,000	

The total of the credits taken (column (f)) is reported on the taxpayer's return (Form 355, Tax Calculation, line 7, or Form 355S, line 10 or other applicable line item for a corporation not filing as part of a combined report.)

Taxpayers participating in a combined report filing form 355U enter the total amount of the taxpayer's own EDIPC, EOAC, Investment Tax Credit, Brownfields Credit and Vanpool Credit taken on U-IC line 2, the total amount of the (Part 38M) Research Credit on U-IC, line 5 and the total amount of any other credits taken on schedule U-IC, line 8. Credits the corporation allows affiliates to use under the sharing rules are reported in column (g) of the credit manager. The recipient of the shared credits reports them on schedule U-CS and, in the appropriate category, on their own schedule U-IC. (Per U-IC instruction)

Part 2 of the Credit Manager Schedule reports any refundable credits claimed in the current year that were not received via Massachusetts K1s or via credit transfer*. Certain credits are refundable only if specifically authorized or, in the case of the Film Credit, if the original recipient has not transferred the credit to another. Other conditions may apply depending on the terms applicable to the specific credit. Credits are identified separately. The amount in column (f) is the amount of the refund requested, which may be 100% or 90% of the amount reported in column (e). In the example below, the taxpayer has refundable film credit (allowed at 90% of the available balance) and a refundable conservation land credit (allowed at 100%). Although not shown in the example, taxpayer reported both credits on Part 1 of the credit manager schedule and used part of the film credit to reduce its excise for the year to zero; the \$10,000 amount shown in column (d) of Part 2 is the balance remaining after deducting the portion used in the current year and shown in column (f) of part 1.)

2a. Credit Type	2b. Period End Date	2c. Certificate Number	2d. Credit Available or Certificate Balance	2e. Reduction in balance for refund	2f. Refundable Credit (100% or 90%)
FLMCRD		000000011	\$10,000	\$10,000	\$9,000
CNSLND		111000000	\$1,000	\$1,000	\$1,000

The total of the amounts shown in column (f) are shown on the appropriate line of the taxpayer's return (Form 355, Tax Calculation, line 18, or Form 355S, line 21, schedule U-ST, line 43 or other applicable line item.)

Comprehensive Example with taxpayers that receive credits from a lower tier partnership:

In the example below, the taxpayer is a partnership with a Federal ID Number of 987654321 filing a return for the taxable year ending 12/31/2016 and has a Conservation Land Tax Credit of \$50,000 awarded in the current year. Partner A, B, and C respectively own 50%, 30%, 20% of the partnership. The partnership should file Part 1 of the Schedule CMS to reflect the claimed credit of \$50,000 and the pass-through of those credits to its partners via Part 1, column g.

Partnership's Part 1						
1a. Credit Type	1b. Fill In if Non- Expiring	1c. Period End Date	1d. Certificate Number	1e. Credit Available or Certificate Balance	1f. Credit Taken this year	1g. Credit Shared this year
CNSLND			222222222	\$50,000		\$50,000

Partner A is a C-Corporation that applies \$5,000 of the credit against its excise and claims a refund for the remaining portion of the credit. Partner A completes Part 3 to reflect the receipt of the lower tier credits and fills in Part 3, column 3g to reflect the application of the \$5,000 against its excise. Partner A also completes Part 4 to identify the refundable balance of the credit (originating from a lower tier) being available and the amount refunded.

Partner A's Part 3							
3a. Federal ID Number of credit source	3b. Credit Type	3c. Fill In if Non- Expiring	3d. Period End Date	3e. Certificate Number	3f. Credit Received	3g. Credit Taken this year	3h. Credit Shared this year
987654321	CNSLND			222222222	\$25,000	\$5,000	

Partner A's Part 4						
4a. Federal ID Number of credit source	4b. Credit Type	4c. Period End Date	4d. Certificate Number	4e. Credit Available or Certificate Balance	4f. Reduction in Balance for Refund	4g. Refundable Credit Taken
987654321	CNSLND		222222222	\$20,000	\$20,000	\$20,000

Partner B is an S-Corporation with a Federal ID Number of 888888888 that elects to pass-through its distributive share of the Conservation Land Tax Credit to its shareholders. Partner B completes Part 3 to claim the credit it received from the lower tier partnership and also completes Part 3, column 3h to reflect the distribution of those credits to its shareholders. Partner B has 3 shareholders that each own 1/3 of the ownership interests in the S-Corporation.

Partner B's Part 3							
3a. Federal ID Number of credit source	3b. Credit Type	3c. Fill In if Non- Expiring	3d. Period End Date	3e. Certificate Number	3f. Credit Received	3g. Credit Taken this year	3h. Credit Shared this year
987654321	CNSLND			222222222	\$15,000		\$15,000

All 3 shareholders utilize their distributive share of credits and fill in Part 3 accordingly.

Shareholder X,Y,Zs' Part 3							
3a Federal ID Number of credit source	3b Credit Type	3c Fill In if Non- Expiring	3d Period End Date	3e Certificate Number	3f Credit Received	3g Credit Taken this year	3h Credit Shared this year
888888888	CNSLND			222222222	\$5,000	\$5,000	

Finally, Partner C is a C-Corporation that is part of a Unitary Group that files in Massachusetts. Partner A and B are not part of this unitary group. Partner C will be applying its distributive share of the Conservation Land Tax Credit against its excise. Partner C also received a distributive share of Low-Income Housing Credit from another lower tier partnership with a Federal ID number of 555555555. Partner C will be allowing affiliates to use this credit under the sharing rules and will report the shared credit in Part 3, column g.

Partner C's Part 3							
3a Federal ID Number of credit source	3b Credit Type	3c Fill In if Non- Expiring	3d Period End Date	3e Certificate Number	3f Credit Received	3g Credit Taken this year	3h Credit Shared this year
987654321	CNSLND			222222222	\$10,000	\$10,000	
555555555	LOWINC			333333333	\$5,000		\$5,000

Example illustrating the application of Residential Property credits to individual taxpayers:

The Credit Manager Schedule will now also be used by individual taxpayers for certain credits. In the example below, the taxpayer is an individual with a Federal ID Number of 333333333 filing a return for the taxable year ending 12/31/2016 and has an available Septic Credit of \$8,000 in the current year. Since this is the first year the taxpayer is claiming the Septic Credit, the individual taxpayer must also enclose a Schedule SC. The individual should file Part 1 of the Schedule CMS to reflect a claimed credit of \$1,500 (Schedule SC, Line 13).

Individual Taxpayer's Part 1						
1a. Credit Type	1b. Fill In if Non- Expiring	1c. Period End Date	1d. Certificate Number	1e. Credit Available or Certificate Balance	1f. Credit Taken this year	1g. Credit Shared this year
SEPTIC		12/31/2016		\$8,000	\$1,500	
					\$1,500	